

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Reata Engineering and Machine Works

Colorado Association for Manufacturing and Technology

#### Reata Engineering Implements Lean

##### Client Profile:

Reata Engineering is a contract manufacturer specializing in precision machining and assembly to a variety of industries including the medical device, aerospace and technology industries. Founded in 1993, the company employs 33 people at its 25,000-square-foot facility in Englewood, Colorado.

##### Situation:

Reata Engineering acquired a local bearing heater manufacturing company in 2001 and expanded to the larger facility in 2004. With growth came operational strains, and Reata found itself with a loss of \$250,000 at the end of 2004. Grady realized that it was time to educate the workforce in best practices and streamlined processes. Through the help of Pueblo and Arapahoe Community Colleges, Reata Engineering was awarded a Colorado state grant and was referred to Sumer Sorenson, Account Manager with the Colorado Association for Manufacturing and Technology (CAMT), a NIST MEP network affiliate.

##### Solution:

CAMT conducted a six-month training program focusing on the Lean methodologies 5S and set-up reductions. The 5S philosophy focuses on simplifying the work environment, reducing waste, and improving quality and safety through implementing five steps: sorting, shining, setting in order, standardizing and sharing information and sustaining improvements made. Set-up reduction is a valuable technique aimed to decrease overall costs and lead-times. Set-up, or "change-over" is defined as the time required from the unloading or completion of the last good product until the production of the first good part of the next run. The focus is on reducing the non-value added activities in the process. After this work is done, standard procedures can be determined, documented, and used shift-to-shift.

The staff implemented their new knowledge and techniques to enable improved work flow, reduction in set up times, improved staff communication and a decrease in lead time of hours. Additionally, Reata Engineering adopted a new tool and tooling management system that eliminated information and communication deficits that caused a slow down in production. These improvements have led to a 50 percent increase in sales revenue for Reata Engineering.

##### Results:

- \* Increased sales by \$400,000.
- \* Retained sales of \$200,000.
- \* Saved \$85,000 in costs.
- \* Improved work flow.
- \* Improved employee communication.

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\* Adopted a new tool and tooling management system.

**Testimonial:**

"Colorado Association for Manufacturing and Technology helps prove American manufacturing is thriving despite what you may have heard."

Grady Cope, President